



CSIS California School Information Services

June 29, 2011

Stacey Adler, Ph.D., Superintendent
Mono County Office of Education
451 Sierra Park Road, P.O. Box 130
Mammoth Lakes, CA 93546-0130

Dear Superintendent Adler:

The purpose of this management letter is to present the findings and recommendations developed by the Fiscal Crisis and Management Assistance Team (FCMAT) for the Mono and Inyo county offices of education and the following school districts in the two counties:

Mono County

- Eastern Sierra Unified School District
- Mammoth Unified School District

Inyo County

- Big Pine Unified School District
- Bishop Unified School District
- Lone Pine Unified School District
- Owens Valley Unified School District
- Round Valley Joint Elementary School District

The Mono County Office of Education entered into an agreement with FCMAT on behalf of the above districts and the Inyo County Office of Education for a review of the districts' transportation delivery system. These entities also requested to determine the feasibility of forming a joint powers authority (JPA) for all K-12 districts in Mono and Inyo counties.

The study agreement states that FCMAT will perform the following:

1. Conduct a study of pupil transportation services for home to school, special education and field trips for the purpose of determining the feasibility of forming a joint powers authority for all K-12 districts located in Mono and Inyo County. The study shall determine the fiscal and operational abilities and capabilities of each school district independently and model the optimal form the JPA should take. The evaluation shall be performed in the following areas:
 - a. Fiscal
 - i. Evaluation of each school district's home to school, special education and field trip revenue and costs for the past two years.

FCMAT

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- ii. Evaluation of each school district's fixed assets relative to school transportation to include office buildings, shop buildings, buses, support vehicles, fueling infrastructure, etc.
 - iii. Evaluation of each school district's current debt relative to the above fixed assets.
 - iv. Evaluation of the current staffing and related costs of each school district.
 - v. Model a first-year budget based on the proposed optimal JPA to include:
 - 1. Proposed staffing
 - 2. Proposed operating facility(ies)
 - 3. Proposed debt
 - 4. Proposed vehicle needs
 - 5. Proposed formulas to distribute member revenue and costs
 - b. Staffing
 - i. Current detailed staffing of each school district transportation department.
 - ii. Staffing needs based on the proposed optimal JPA to include JPA administration, operations supervision, shop and operations personnel needs.
 - c. Routing and Scheduling
 - i. Evaluate the current board policies and administrative regulations relative to the provision of home to school and special education pupil transportation services
 - ii. Evaluate the current bell schedules of each school.
 - iii. Evaluate the current bus routing methodology and efficiency.
 - iv. Evaluate the current bus loading factor (student rider demographics).
 - v. Model proposed JPA optimal regional bus routes based on reasonable service parameters (service zones), minimal bell time revisions and projected student ridership.
 - d. Field Trips
 - i. Evaluate the current field trip usage for each school district.
 - ii. Determine the bus, driver and operational staffing needs to support the current field trip usage under an optimal JPA.
2. Provide a discussion of the relative benefits or shortcomings of the formation of a Joint Powers Agreement in all of the areas mentioned above.
 3. Provide a discussion of the fiscal, management and operational considerations of the formation of a joint powers agreement for pupil transportation to include:
 - e. Lead time to form the agency
 - f. Development of board policies

- g. Filing with the secretary of state
 - h. Contracting with CalPERS for retirement benefits
 - i. Future employee's salaries, benefits, working conditions and whether or not they will be represented.
4. If in the determination of FCMAT, it does not appear that the formation of a joint powers authority would be the most beneficial solution, FCMAT will provide a discussion relative to the formation of other less formal, yet effective, cooperative arrangements.

FCMAT's study team consisted of the following members:

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*As members of the study team, these consultants were not representing their employers but were working solely as independent consultants for FCMAT.

FCMAT visited the county offices of education and school districts on May 9-12, 2011 to collect information and interview employees. This management letter is the result of that effort.

Findings and Recommendations

Background

The school districts of Mono and Inyo counties are between the California Eastern Sierra Mountains and the eastern California state border in the central part the state. The eastern counties are bordered by Alpine County to the north and San Bernardino and Kern counties to the south. Both counties are rural with small population centers generally along state highway 395. More than 80% of the land of both counties is publicly held. Elevations for the two counties are extreme, ranging from approximately 3,000 feet in Inyo County to more than 8,500 feet in Mono County. Mono County consists of two unified school districts, Eastern Sierra Unified with approximately 500 students and Mammoth Unified with approximately 1,134. Inyo County consists of six school districts, however, only five districts were reviewed as part of this study; the Death Valley Unified School District was not included. The five school districts reviewed in Inyo County were Lone Pine Unified with approximately 400 students, Owens Valley Unified with approximately 50, Big Pine Unified with about 200, Bishop Unified with approximately 1,950, and the Round Valley Joint Elementary School District with about 130. The seven

school districts reviewed in the two counties collectively serve approximately 4,400 students. About 1,800 receive home-to-school (HTS) transportation service between all seven districts. Very few special education students receive transportation service according to data gathered through staff interviews at each school district. A review of the state Form TRAN or TRAN report for all seven districts found that only two, Mammoth Unified and Bishop Unified, identify severely disturbed or orthopedically impaired (SD/OI) special education students receiving specialized transportation on special education school buses. Additional special education students that are identified to receive transportation support on their individualized education programs (IEPs) may receive transportation along with the general HTS student population.

School District Assessments

Mono County School Districts

Eastern Sierra Unified School District- This district is the largest in the study group and is 120 miles in length from the northern to the southern border. This distance takes more than two hours to drive in clear weather with unobstructed roads. The area experiences severe weather conditions several months during the year, with closed or partially obstructed roadways causing much longer driving periods. This district has seven schools throughout the community with approximately 500 students. Transportation



The Eastern Sierra Unified transportation vehicle maintenance site in Lee Vining

service is available to most of the student population. The district operates eight daily bus routes and has an additional two buses to use as spares and for field trips. Eastern Sierra Unified has eight full-time drivers with other related district assignments and one vehicle repair supervisor. The district does not have a transportation manager and the vehicle repair supervisor fills in for this position on an interim basis. Athletic and cocurricular field trips are assigned to the drivers and augmented by contracted charter bus carriers as necessary. Athletic and cocurricular field trips are assigned to the drivers and augmented by contracted charter bus carriers as necessary. Athletic and cocurricular field trips are assigned to the driver(s) from the specific school for which they provide trans-

portation support service. Because the buses are dispersed at four different sites with considerable travel times, it is difficult to access equipment regularly for vehicle maintenance. Under a recently devised plan, the district operates a full-service vehicle to provide on-site service and repair. Vehicles are fueled at one of four Mono County sites under contract with the district. The Lee Vining vehicle maintenance facility consists of two small repair bays or garages with outside paved parking.

Mammoth Unified School District - This district encompasses Mammoth, which is approximately two miles by two miles in size. Transportation service is also provided for students from the Hilton Creek area. Similar to Eastern Sierra Unified, the area has severe weather conditions for several months of the year, with closed or partially obstructed roadways causing much longer driving periods. This district has



The Mammoth Unified transportation facility in Mammoth (nonvehicle maintenance)

three schools adjacent to one another with approximately 1,134 students. Transportation service is provided to approximately 150 K-6 students with minimal service on afternoon routes home for high school students. The district operates three daily bus routes; two larger HTS routes and one smaller wheelchair special education route. In addition, the district has two buses to use as spares and for field trips. The district office and transportation facility are in Mammoth. Buses are housed in a spacious and modern eight-bay or garage facility in a business park adjacent

the town of Mammoth's vehicle maintenance facility. Mammoth Unified has three full-time drivers with other related district assignments, a maintenance, operations and transportation (MOT) director and three substitute school bus drivers. Athletic and cocurricular field trips are assigned to the drivers and augmented by contracted charter bus carriers as necessary. Athletic and cocurricular field trips are expensive because of the distances and times required for travel. The district contracts with the town of Mammoth's vehicle maintenance program for all its vehicle maintenance. A review of the town's vehicle maintenance program found that the district's fleet is well maintained, meeting all preventative maintenance requirements. The closeness of the town's vehicle maintenance yard and the district's facility makes it very convenient for accessing vehicles for maintenance. In addition, the district contracts for fuel from the town's vehicle maintenance site.

Inyo County School Districts

Lone Pine Unified School District - This district encompasses Lone Pine and the large areas south to the county line with San Bernardino and Kern counties and approximately 30 miles north towards Independence. The geography is generally flat in the transportation service areas, with mountains to



The Lone Pine Unified transportation facility - Lone Pine (ROP auto shop maintenance area)



The Lone Pine Unified transportation and athletic office - Lone Pine

the west and east side of the Owens Valley. The Inyo County school districts do not have the often severe weather issues of their neighboring school districts in Mono County. This district has two schools on one site with approximately 403 students, and transportation service is provided to approximately 101 K-12 students. The district operates four daily bus routes and has five larger buses and one smaller special education bus. The district office and transportation office are in Lone Pine on the single two-school site, and buses are housed there. Lone Pine Unified has three part-time drivers with other related district assignments, one full-time driver/manager and three substitute school bus drivers. Athletic and cocurricular field trips are assigned only to these drivers. According to the district's bargaining agreement, permanent drivers are assigned field trips before utilizing district substitute drivers. According to information from staff interviews, the district does not augment its staff with outside contract drivers and buses. Athletic and cocurricular field trips are expensive because of the distances and times required for travel. The district utilizes the Regional Occupation

Program (ROP) instructor to perform vehicle maintenance on all their vehicles in its auto shop. Heavy, more involved vehicle repairs are contracted to one of two repairs shops in Bishop or Bakersfield. The district has on-site diesel in an above ground tank. Unleaded fuel is purchased through a Lone Pine vendor.

Owens Valley Unified School District – This district encompasses Independence and is along state highway 395 between the Lone Pie Unified School District, which is approximately 30 miles south, and the Big Pine Unified School District, about 20 miles north. Like Lone Pine Unified, the geography is generally flat in the transportation service areas with mountains to west and east sides of the Owens Valley. The Inyo County school districts do not have the severe weather issues of their neighboring school districts in Mono County. This district is the smallest in this study with a single K-12 school facility in Independence that houses approximately 50 students. Transportation service is provided to approximately eight K-12 students. The district has two buses and two vans, but operates only one bus or van daily. The district office and transportation office are on the single school site in Lone Pine, and buses are housed there. Owens Valley Unified has one full-time driver/grounds and maintenance worker. The superintendent or another staff member drives a van to transport students if the driver is unavailable. Students participating in athletic programs may be transported to Lone Pine Unified next year (2011-12) because of the low student participation count. According to information from staff interviews, the district does not augment its staff with outside contract drivers and buses. Athletic and cocurricular field trips are a significant expense because of the distances and times required for travel. The district contracts with Lone Pine Unified’s ROP instructor for the required vehicle maintenance and repairs. Heavy, more involved vehicle repairs are contracted to one of two repairs shops in Bishop or Bakersfield. The district contracts for fuel through a local commercial facility in town.

Big Pine Unified School District - This district encompasses Big Pine and is along state highway 395 between the Owens Valley Unified School District, approximately 20 miles south, and the Bishop Unified School District, approximately 15 miles north. Like Lone Pine Unified and Owens Valley



The Big Pine Unified transportation office - Independence (nonvehicle maintenance)

Unified, the geography is generally flat in the transportation service areas with mountains to the west and east sides of the Owens Valley. The Inyo County school districts do not have the sometimes severe weather issues of their neighboring school districts in Mono County. This district is the third smallest in this study, with a single K-12 school facility in Big Pine that serves approximately 200 students. Transportation service is provided to approximately 50 K-12 students. The district has two large buses,

but operates only one daily. The district office and transportation office are on the single school site in Independence, and buses are housed there. Big Pine Unified has one full-time driver/custodian worker and one MOT director. The full-time driver/custodian and the MOT director also drive for athletic and cocurricular field trips. Athletic and cocurricular field trips are a significant expense because of the distances and times required for travel. The district contracts with a commercial vehicle maintenance repair facility in Bishop for all vehicle maintenance and vehicle repairs. The district contracts for fuel through a local commercial facility in town.

Bishop Unified School District – This district encompasses Bishop and stretches northeast to the Mono County line and approximately 10 miles south, reaching the Big Pine Unified boundary. To the northwest, the district also encompasses the Round Valley Joint Elementary School District, whose high school



The Bishop Unified transportation vehicle maintenance site - Bishop



The Bishop Unified transportation vehicle parking site - Bishop

students attend Bishop Unified. Like the other Inyo County school districts south of Bishop Unified, the geography is generally flat in the transportation service areas with mountains to the west and east sides of Owens Valley. In addition, Bishop Unified includes the area north and northwest through the Round Valley area toward the Mono County line. The Inyo County school districts do not have the sometimes severe weather issues of their neighboring school districts in Mono County. Bishop Unified has the most students in this study with 1,950. The district has four schools, three located close to each other in Bishop. Approximately 800-900 K-12 students receive transportation service according to information from staff interviews. In addition, the district provides transportation for an eight SD/OI special education students. The district operates six HTS buses and

one special education bus daily. Six buses serve as spares and are used for athletic and cocurricular field trips. The district office and transportation office are adjacent to school sites in Bishop. The district has a transportation office, vehicle repair facility with one bay/garage and a reasonably sized bus parking area.

Bishop Unified employs six drivers, one transportation supervisor who also drives daily on an afternoon route, two substitute school bus drivers and one vehicle mechanic. Athletic and cocurricular field trips are a considerable expense because of the distances and times required for travel. The district performs most of its routine vehicle maintenance and preventative maintenance and contracts with a local commercial vehicle maintenance repair facility in Bishop for heavy repairs. The district contracts for fuel through a local commercial facility in town.

Round Valley Joint Elementary School District – This district encompasses the community area of Round Valley and parts of Bishop and is along state highway 395 in Round Valley between Bishop to the south and the Inyo/Mono County line to the north. Like the other school districts in Inyo County, the geography is generally flat but also includes rolling hills up to the county line. The Inyo County school districts do not have the sometimes severe weather issues of their neighboring school districts in Mono County. This district is the second smallest in this study with a single K-6 school facility that serves approximately 130 students in Round Valley. Approximately 80 K-6 students receive transportation services. The district operates one large and one small HTS bus daily and does not transport special education students. The district office and bus parking area are at the single school site in Round Valley. Round Valley Joint Elementary has two full-time drivers who also function as school cook and maintenance workers. The district has very few cocurricular field trips and contracts with a local commercial vehicle maintenance repair facility in Bishop for vehicle maintenance and vehicle repairs. The district contracts for fuel through two local commercial facilities.

Driver Training

Driver training for school districts in Mono and Inyo counties is generally performed by two state-certified instructors in the area. Of the seven school districts reviewed, only two districts employ a certified driver instructor, Bishop Unified and Mammoth Unified. The two instructors independently contract with the other five school districts for driver and in-service training of the driving staffs.

School districts in both counties could benefit from a shared collaborative effort or JPA arrangement for driver and in-service training.

Recommendation

The districts should:

1. Discuss the advantages and savings of contracting and organizing driver training to obtain the required and appropriate driver instruction and in-service training.

Vehicle Maintenance

Except for the Bishop, Eastern Sierra and Lone Pine unified school districts, all study group districts contract for full preventative maintenance, the required 45-day/3,000 mile safety checks, and vehicle repair through a commercial heavy equipment repair facility in Bishop. Some warranty and heavy engine and body repair are also contracted to commercial providers in Bakersfield and Reno. Mammoth Unified contracts with the town of Mammoth's Vehicle Maintenance Department for full vehicle maintenance. The ROP instructor that performs vehicle repair and maintenance for Lone Pine Unified also independently

contracts with the Owens Valley and Big Pine unified school districts for these services. Discussions with the local transit authority for both counties, the Eastern Sierra Transit Authority, suggested that there may be a potential for contracting for vehicle maintenance.

Most of the districts reviewed find it difficult to perform vehicle maintenance and maintain records for the required title 13 repair and maintenance schedules.

Six of the seven school districts reviewed purchase diesel and all seven school districts purchase unleaded fuel through private commercial vendors or other municipal agencies.

School districts in both counties could benefit from a shared collaborative effort or JPA arrangement for vehicle maintenance.

Recommendations

The districts should:

1. Explore the advantages of creating a formal contract with one or more districts that can perform vehicle maintenance based on best practices and legal requirements at a reduced expense.
2. Review the advantages of having one or more school districts contract with the local transit authority for vehicle maintenance.
3. Investigate the alternatives of cooperative fuel purchase to achieve greater savings.

Finances

The state's school transportation is severely underfunded. Until 1977, California fully reimbursed school districts for reported operational costs (never capital costs) in the subsequent school year. From 1977 to 1982, the state began reducing the percentage of the reimbursement. In the 1982-83 school year, the state capped the amount of funding at the amount received that year (80% of costs), and in the ensuing years, has only occasionally granted a cost-of-living adjustment (COLA). Consequently, the state now only funds approximately 45% of reported school transportation costs. In the 2009-10 school year, the state further reduced the apportionment by 19.84%.

School transportation costs are captured on the TRAN report. The TRAN is generated with the unaudited actual report in September of the following fiscal year. The electronic accounting system automatically generates the report, but districts manually enter some data such as the number of buses, students, and miles.

All the school districts of both Mono and Inyo counties fall well below the statewide average for HTS revenue reimbursement. Only one school district, Mammoth Unified, received a small reimbursement for SD/OI special education students. Three school districts, Mammoth Unified, Lone Pine Unified and Owens Valley Unified, will be affected by a further reduction in the prior-year HTS apportionment as a result of Section 37 of Assembly Bill 2 of the Fourth Extraordinary Session (ABX4 2) as shown in the chart below.

*JPA STUDY							
STATE APPORTIONMENTS -- TRANSPORTATION FUNDING							
	2009/10			2010/11			
	Apportionment		Home-To-School	Apportionment		Budget	
	Home-to-School	Special Education	% Change	Home-to-School*	Special Education	Home-to-School	Difference^
MONO COUNTY							
Mammoth USD	\$259,291	\$570	-55.90%	\$114,342	\$570	\$114,912	\$(570)
Eastern Sierra	\$536,307	\$ -	-5.07%	\$509,134	\$ -	\$429,046	\$80,088
INYO COUNTY							
Lone Pine	\$255,243	\$ -	-33.19%	\$170,536	\$ -	\$255,243	\$(84,707)
Owens Valley	\$11,150	\$ -	-59.66%	\$4,498	\$ -	\$11,150	\$(6,652)
Big Pine	\$31,778	\$ -	-40.60%	\$18,877	\$ -	\$18,877	\$ -
Bishop	\$219,847	\$ -	0.04%	\$219,931	\$ -	\$219,847	\$84
Round Valley	\$30,928	\$ -	-13.31%	\$26,811	\$ -	\$26,811	\$ -

*Reductions from prior year's apportionment are labeled as "Basic Aid Reductions" on CDE website

^Positive = more money to be put into budget; Negative = budget reduction necessary

Each school district reviewed generally provides minimal levels of HTS nonmandated transportation support. FCMAT does not recommend that the districts further reduce HTS transportation because several could affect their state apportionment. Furthermore, although each district has an HTS contribution from general operating funds to support the service, all need some level of large bus operation to maintain the lowest cost for athletic and cocurricular field trips. Contracting all athletic and cocurricular field trips to private contractors would increase costs to a level that is well beyond that of most urban school districts. This is because of the unusually high mileages traveled and time consumed.

School districts in both counties could benefit from a shared collaborative effort or JPA arrangement for athletic trip and cocurricular study trips.

Home-To-School and Special Education School Bus Routing

FCMAT believes none of the Mono and Inyo County school districts would directly benefit from a shared cooperative or a JPA service arrangement. This is because they are too far apart, with travel times that are too long between population service areas to combine bus routes. A thorough review of each district visited found that each has already consolidated routes to the extent that relatively few are left. Some have eliminated service levels to older students in high school. All districts primarily provide service to individual population centers and only some outlying areas. Only one school district receives an apportionment allowance for SD/OI special education students. If the other six districts transport special education students with transportation identified as a related service on their IEPs, the service is already provided as efficiently as possible.

Athletic and Cocurricular Study Trips

The greatest transportation expense for each school district reviewed in both counties is for trips to athletic and cocurricular study events. Each county has small population centers, resulting in several small or medium-sized school districts; therefore, students must be transported long distances to compete in athletics. These distances can be hundreds of miles and several hours one-way. As a result, labor and bus operational expenses are far greater compared to many school systems throughout the state. Some districts use private contractors for this purpose, incurring greater costs.

School districts in both counties could benefit from a shared collaborative effort or JPA arrangement for athletic trip and cocurricular study trips.

Recommendation

The districts should:

1. Consider the advantages and of forming a cooperative or developing a more formal contract for a shared field trip staff and bus fleet.

Pros and Cons of a Joint Powers Agreement

A JPA is allowed and defined by the Joint Exercise of Powers Act, Title 1, Division 7, Chapter 5, Article I (Sections 6500 et. seq.) of the California Government Code. This section allows government agencies to form a separate public agency to provide a common service. The powers of this new agency are identical to the agencies that formed it, and they should be clearly articulated in the JPA. The agreement is the document or contract that defines the service the agency will provide and outlines the powers and responsibilities of the agency. The document generally includes agency bylaws. A school transportation JPA can be created to provide the most beneficial structure for school districts. For example, the JPA can provide all operational services itself, contract with a for-profit provider, or any combination. Several school transportation JPAs in the state have employees, perform vehicle maintenance, own buses and provide all operational services. Others have as few as one employee and contract for all services. Some JPAs are separate from the school districts that formed them, and others utilize a lead agency to provide administrative or personnel services. A JPA can also be formed to provide only some services, for example, vehicle maintenance, routing and dispatching, or driver training.

The JPA is governed by a board that is subject to the Ralph M Brown Act. The board is usually composed of one representative from each district, and each member has one vote no matter how much transportation the participating district provides.

Fiscal Issues

The primary fiscal benefit of school transportation JPA is that it can provide economies of scale similarly to a larger district operation. The agency's fixed costs are shared by all members, and there is less duplication. Even small school district transportation operations need to have administrative oversight, some department supervision, a skilled driver instructor, and some vehicle maintenance capability.

Larger JPAs function more effectively as stand-alone entities. JPAs with larger budgets can encounter problems if they depend on a lead agency.

A stand-alone JPA will need to contract separately with CalPERS for retirement benefits as a “miscellaneous other” agency. There is no PERS reduction factor as is common for school districts. In addition, many JPA school bus drivers never retire in the system, which can significantly fund the agency’s account, creating a very low PERS rate. If all staff members are lead agency employees, the JPA does not have to contract separately with CalPERS.

Education Code 41980 allows school districts that form school transportation JPAs to transfer the pupil transportation apportionment of each school district to the JPA and file only one TRAN report. Most JPAs operate in this fashion.

The most challenging issue is the creation of a formula to assign revenue and assess costs to JPA members. The formulas of other JPAs can be used as examples, but the formula must ultimately reflect individual district priorities. Miles, minutes, the number of routes, or number of students transported are usually utilized individually or in combination to create a percentage for each member. Revenue can be distributed based on the historical ownership or it can be shared based on percentage. Costs are usually distributed by the percentage of each member.

The capital costs of some JPAs are included in the formula and driven by the percentage. In others, they are separated and charged using another method such as the percentage or dollar amount at the time the commitment was made.

A part of the agreement usually provides a method of withdrawing from the agency. Most JPAs require a minimum of three years of membership before a member can withdraw. This section of the JPA should be clear regarding ownership of assets and liabilities. Complete records on contribution to capital assets must be kept. The JPA will need to decide whether members have a right to a percentage of all assets or only those to which they contributed.

When a JPA is under consideration, employees at each district frequently become anxious about whether the new agency will employ them. The benefit of a JPA is that responsibilities and often bus routes can be consolidated to provide the same services in a more effective manner with fewer individuals. It is important for a stand-alone JPA to hire an administrator with administrative, fiscal and human resources, and programs knowledge and experience. A lead agency model can use administration from that agency. Costs must be appropriately allocated to the JPA. Most of the state’s full-service JPAs hire many employees from the previous school districts. To ensure success, the JPA generally adopts the highest salary schedules. In addition, some mechanism should be used to retain hire date or years of service so employees are placed on the new salary schedule at the appropriate level.

The local school district insurance group generally provides insurance. This group should be contacted to ensure that its rules allow the membership of school transportation JPA and to determine the rates for property and liability, and workers compensation insurance.

The California Department of Education’s School Finance Division recognizes school transportation JPAs as a separate LEA. School transportation JPAs depend on their local county offices of education for the same financial support that is generally provided to county school districts such as payroll and accounts payable generation. In addition, the JPA is responsible for the same state reports as a school district such as budget adoption, first- and second-interim and unaudited actual reports.

The most significant impediment to the formation of school transportation JPA will likely be Education Code 45103.1. Known as the California School Employees Association (CSEA) signature anti-contracting bill, this section is the codification of SB1419 passed by the California Legislature and signed by Governor Gray Davis years ago. The bill does not specifically outlaw contracting, but places strict

accountability on a district to prove that contracting is less expensive than using the previous classified employees. Although the formation of a JPA is not technically contracting for work, the CSEA perceives it that way, and has challenged the formation of JPAs using this regulation in some areas of the state. The threat of potential lawsuit has dissuaded some school districts from forming a JPA. The CSEA has closely monitored school transportation in some areas of the state, but not in other areas or services such as food service. The California Association of School Transportation Officials (CASTO) and the School Transportation Coalition are working with the CSEA towards an amendment of E.C. 45103.1 that allows school districts to cooperatively provide services for each other or use a JPA. Support for this amendment is moderate.

Although economic pressure may be one of the major reasons to form a JPA, management issues often drive the discussion. In many small school district operations, the superintendent or school principal is responsible for school transportation, which is a highly regulated function that many school administrators do not understand. As a result, many districts throughout the state have failed to comply with vehicle maintenance or driver-training regulations, resulting in criminal charges being filed against the district. A more effective and specialized agency helps address these issues. Professional and experienced school transportation management can often deal with any issues that arise more effectively than school administrators.

Staffing

The possibility of forming a JPA often generates discussion from the existing staff. School transportation staff members are usually comfortable with their individual operation and rules, and fear of change makes some defensive.

Successful JPAs generally work to provide an adequate professional staff based on the agency's needs; therefore, some school district positions may be duplicated and unnecessary.

Salary schedules and health and welfare benefits are generally adopted at the highest level of any of the participating districts to ensure that members' income does not decrease. Most JPAs agree to a representation election shortly after formation, and negotiating the initial collective bargaining agreement generally takes more than a year.

A full-service JPA should have a skilled and adequate number of supervisors, vehicle maintenance staff, dispatchers, driver instructor's bus drivers and office staff. Administrative office staff members should have sufficient knowledge to handle business, human resources, legal and administrative functions. If a JPA with a lead agency is formed, these duties will likely be handled by that district or county office.

School secretaries often dispatch and constantly monitor school bus communications. The formation of a JPA or separate agency generally relieves school secretaries of this responsibility.

Routing and Scheduling

All full-service JPAs in California were formed from a high school district and its feeder districts. This is because the geography is the same, and routes are often duplicated between both districts. A reduction in the number of routes can be accomplished only by cooperative routing. Perhaps natural bell time combinations could allow one bus and driver to serve several schools or districts. This may mean districts would have to slightly or significantly shift bell times to accomplish significant savings. Participating districts will have to decide whether the JPA could actually require districts to change bell times. However, the JPA should at least be able to recommend them.

The district calendar also affects routing and scheduling costs. The more calendars vary among JPA members, the more difficult it is to provide cost-effective services.

Some districts may have policies that specifically state the criteria for students to be transported while others may transport students according to historical practice. With little cooperative routing, districts may be able to retain their different practices. However, it is more reasonable for the JPA to adopt a standard policy that establishes criteria for bus riding eligibility and length of ride times.

Coordinating routes provides bus drivers with longer work hours, attracting and retaining drivers and increasing the operation's cost-effectiveness.

Field Trips

Because many school districts find it difficult to retain drivers, they develop policies prohibiting the district from scheduling bus trips that conflict with regular bus route times. JPAs do not usually have this problem because they can generally attract and staff more drivers, resulting in trips that are safer and more economical for the schools.

Some JPAs market their field trip or vehicle maintenance capabilities to other school districts, private schools or local government agencies. They create a nonmember rate to generate revenue and help reduce member costs.

Fiscal, Management and Operational Considerations

Lead Time to Form Agency – Most school transportation JPAs are formed as of July 1 of any school year. Although JPAs can be formed rather quickly, sufficient time should be provided to address administrative and logistical issues. The most important issue is ensuring there is sufficient time to determine staffing and consolidate routing.

Districts that formed JPAs before the adoption of Education Code Section 45103.1 would lay off staff members, and the JPA would simultaneously offer employment. This practice still occurs in some areas; however the JPA should explore the issues involved.

Most existing JPAs performed initial planning with board members (administrators from participating school districts) sharing the planning functions. Most directors were hired to begin by or after July 1 with an expected school start date of late August or early September. This can still be accomplished, but most administrative practices may take a year or more to adopt and implement.

Development of Board Policies - Board policies can be developed before an administrator is hired, but this does require a significant amount of time. If a short time line is utilized to establish the JPA, board policies could take as much as two years to be implemented. Using Model policies can help.

Filing with the Secretary of State – Two forms will need to be filed with the California secretary of state, and both are attached to this letter. One is entitled “Statement of Facts, Roster of Public Agencies Filing.” This form must be submitted within 70 days after a new public agency comes into existence. Government Code 53050 and 53051 describe this requirement. The form must be updated annually when board members change.

The second form is the “Notice of a Joint Powers Agreement,” which has to be filed within 30 days of the creation of the agency. Whenever there is a change in membership the “Amendment of a Joint Powers Agreement” must be filed.

The agency must also adopt a conflict of interest policy, file it with the appropriate entity (usually the county board of supervisors), and members must annually complete Form 700, Statement of Economic Interests for the California Fair Political Practices Commission, similarly to a school district.

Contracting with CalPERS for Retirement Benefits - To have the JPA contract with CalPERS ready for the first payroll, the agency will need to contact CalPERS a minimum of six months in advance to initiate the process. If this is not accomplished, one of the districts or the county office will need to act as the lead agency and employer until the contract is in place, and this can be a significant inconvenience for the agency and the lead agency. If the agency is a stand-alone and separate from the school districts that formed it, it cannot be a part of the schools contract for CalPERS and would be considered a “Miscellaneous Other” agency.

Salaries, Benefits, Working Conditions and Possible Collective Bargaining - The discussion of forming a JPA usually creates anxiety among existing employees. This feasibility study can determine the fiscal and operational benefits and the possibility of forming a JPA. If there is benefit, most likely the highest salary schedule and the best health and welfare benefits of the component districts would be utilized. Most employees likely are represented by CSEA, and they will be most comfortable if they are assured that they can elect representation.

Less Formal Shared Cooperative Arrangements – Examples of cooperative school transportation arrangements between neighboring school districts exist throughout California. In many cases, the larger operations, perhaps a high school district or unified school district, can provide services for a smaller school district transportation operation. This can include routing and scheduling, field trips, vehicle maintenance, and similar services. There may not even be a formal contract in some cases, but the best practice is usually adopting a formal contract that outlines the rate and scope of services. The providing and receiving school district can report expenses on the TRAN report.

FCMAT believes it would be highly beneficial to establish a formal cooperative agreement for some services between one or more of the seven districts. This arrangement would provide improved vehicle maintenance at reduced costs, increase resources for driver training and in-service requirements, and result in a larger fleet and driver staff for athletic and cocurricular field trips. Another possibility is to discuss the advantages of improved vehicle maintenance and record tracking, and ability to contract for athletic and cocurricular trips with the Eastern Sierra Transit Authority. A lead administrator with the transit authority indicated there could be mutual benefit in creating a cooperative arrangement to provide vehicle maintenance and possible field trip service specifically for the Eastern Sierra Unified School District. The transit authority plans a large expansion of fleet and fleet support services in Mammoth to support increased service for Mono and Inyo counties. There is also interest in eventually expanding vehicle fleet and maintenance service outside of Bishop in Inyo County. Cooperative contracting has greatly benefited the Mammoth Unified School District, helping ensure vehicles are well maintained and records are accurate. A similar arrangement could benefit Eastern Sierra Unified.

Bishop Unified could consider a similar cooperative arrangement with the neighboring school districts to the south and the Round Valley Joint Elementary School District to the north. Although mileage is a factor for the south districts, it is not significant enough to preclude discussion. A cooperative venture for vehicle maintenance, field trips, and driver training could benefit all five Inyo County districts.

Recommendations

The districts should:

1. Identify transportation services and needs that may benefit from a shared cooperative arrangement such as vehicle maintenance, athletic and cocurricular study trips and driver training.
2. Meet and confer with the Eastern Sierra Transit Authority to determine whether there is any interest in a cooperative contract for vehicle maintenance and possibly athletic and cocurricular field trips.

This management letter concludes FCMAT's review of the Mono and Inyo County school districts assessment for a JPA and shared cooperative contract for specific transportation service and support. FCMAT would like to express its gratitude to the districts, county offices and staff members for their assistance. Please contact us if we can be of service in the future.

Sincerely,

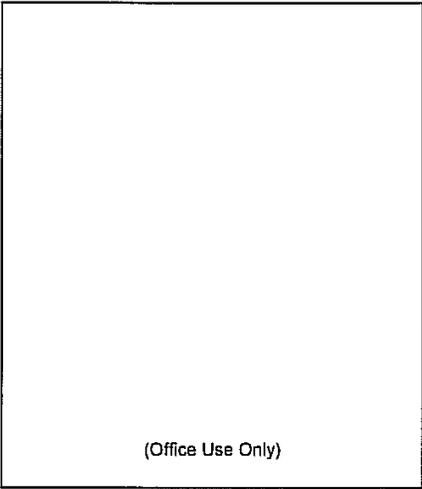


William P. Gillaspie, Ed. D.
Chief Management Analyst



State of California Secretary of State

STATEMENT OF FACTS ROSTER OF PUBLIC AGENCIES FILING (Government Code section 53051)



(Office Use Only)

Instructions:

1. Complete and mail to: Secretary of State,
P.O. Box 942877, Sacramento, CA 94277-0001 (916) 653-3984
2. A street address must be given as the official mailing address or as the address of the presiding officer.
3. Complete addresses as required.
4. If you need additional space, attach information on an 8½" X 11" page, one sided and legible.

New Filing Update

Legal name of Public Agency: _____

Nature of Update: _____

County: _____

Official Mailing Address: _____

Name and Address of each member of the governing board:

Chairman, President or other Presiding Officer (Indicate Title): _____

Name: _____ Address: _____

Secretary or Clerk (Indicate Title): _____

Name: _____ Address: _____

Members:

Name: _____ Address: _____

RETURN ACKNOWLEDGMENT TO: (Type or Print)

NAME []

_____ Date

ADDRESS

_____ Signature

CITY/STATE/ZIP []

_____ Typed Name and Title



State of California
Secretary of State

FILE NO. _____

NOTICE OF A JOINT POWERS AGREEMENT
(Government Code section 6503.5)

Instructions:

- 1. Complete and mail to: Secretary of State, P.O. Box 942877, Sacramento, CA 94277-0001.
2. Include filing fee of \$1.00.
3. Do not include attachments, unless otherwise specified.
4. A copy of the full text of the joint powers agreement and amendments, if any, must be submitted to the State Controller's office. For address information, contact the State Controller's office at www.sco.ca.gov.

(Office Use Only)

Name of the agency or entity created under the agreement and responsible for the administration of the agreement:

Agency's or Entity's Mailing Address:

Title of the agreement:

The public agencies party to the agreement are (if more space is needed, continue on a separate sheet and attach it to this form):

- (1)
(2)
(3)

Effective date of the agreement:

Provide a condensed statement of the agreement's purpose or the powers to be exercised:

RETURN ACKNOWLEDGMENT TO: (Type or Print)

NAME
ADDRESS
CITY/STATE/ZIP

Date
Signature
Typed Name and Title



State of California
Secretary of State

FILE NO. _____

AMENDMENT OF A JOINT POWERS AGREEMENT
(Government Code section 6503.5)

Instructions:

- 1. Complete and mail to: Secretary of State, P.O. Box 942877, Sacramento, CA 94277-0001.
2. Include filing fee of \$1.00.
3. Do not include attachments.
4. A copy of the full text of the joint powers agreement and amendments, if any, must be submitted to the State Controller's office. For address information, contact the State Controller's office at www.sco.ca.gov.

(Office Use Only)

Date of filing initial notice with the Secretary of State: _____

File number of initial notice: _____

Name of the agency or entity created under the agreement and responsible for the administration of the agreement: _____

Agency's or Entity's Mailing Address: _____

Title of the agreement: _____

Complete one or more boxes below. The agreement has been amended to:

- [] Change the parties to the agreement as follows: _____
[] Change the name of the administering agency or entity as follows: _____
[] Change the purpose of the agreement or the powers to be exercised as follows: _____
[] Change the short title of the agreement as follows: _____
[] Make other changes to the agreement as follows: _____

RETURN ACKNOWLEDGMENT TO: (Type or Print)

NAME []

ADDRESS []

CITY/STATE/ZIP []

Date

Signature

Typed Name and Title